

RESOLUTION NO. _____

A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE CITY OF LINCOLN, NEBRASKA TO REIMBURSE CERTAIN EXPENSES IN CONNECTION WITH THE CONSTRUCTION OF GRADING, RETAINING WALLS, CHANNEL LINING AND OTHER RELATED IMPROVEMENTS TO ANTELOPE CREEK FROM THE PROCEEDS OF OBLIGATIONS OF THE CITY OF LINCOLN, NEBRASKA

BE IT RESOLVED by the Council (the "**Council**") of The City of Lincoln, Nebraska (the "**City**") as follows:

Section 1. Findings.

(a) The Mayor and Council have heretofore determined that it is necessary, desirable, advisable and in the best interest of the City that the City construct grading, retaining walls, channel lining and other related improvements to the Antelope Creek channel within the City (the "**Project**").

(b) The City has begun planning, acquiring, constructing, equipping and furnishing the Project and the Mayor and Council anticipate expending funds in the amount of \$2,200,000 in connection with acquiring, constructing, equipping and furnishing the Project; and

(c) It is necessary, desirable and advisable that the City proceed with the Project, which will require the expenditure of money of the City prior to the issuance of obligations of the City (the "**Obligations**") by the City to finance the costs of the Project.

(d) The City anticipates incurring a portion of the costs of the Project prior to the issuance of the Obligations and desires to preserve its ability to reimburse such costs under the provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the applicable regulations thereunder (the "**Regulations**").

(e) The Regulations govern the City's use of proceeds derived from the sale of the Obligations to reimburse "original expenditures" made by the City prior to the authorization of the Obligations. Specifically, the Code requires the City to declare its official intent to reimburse original expenditures made in furtherance of the Project not later than 60 days after payment of such original expenditures. The Code requires that tax-exempt obligations be issued, and a reimbursement allocation be made, from the proceeds of those obligations within 18-months after the later of the date the original expenditure is paid or the Project is placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid.

(f) It is necessary, desirable, advisable and in the best interests of the City that the requirements of the Regulations be satisfied to preserve the ability of the City to reimburse costs of the Project made by the City from and after the date of the passage and adoption of this resolution from the proceeds of the Obligations.

Section 2. Declaration of Intent and Related Matters.

(a) In accordance with the provisions of this Resolution and Section 1.150-2 of the Regulations, the Council hereby declares the official intent of the City to reimburse all or part of the costs

of the Project through the issuance of the Obligations in connection therewith, the interest on which will be excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. Prior to the issuance of the Obligations, the City is authorized to advance moneys in an amount not to exceed \$1,000,000 for the purposes hereinbefore described.

(b) Except for (i) expenditures to be paid or reimbursed from sources other than the Obligations, (ii) "de minimus expenditures" defined under Section 1.150-2(f)(1) of the Regulations, and (iii) "preliminary expenditures" defined under Section 1.150-2(f)(2) of the Regulations, no expenditures made in furtherance of the Project have been paid by the City more than 60 days prior to the adoption of this resolution.

(c) The reasonably expected source of funds to be used to pay debt service on the Obligations will be revenues received by the City from Keno operations, which shall be pledged to the payment of the principal of and interest on the Obligations.

(d) The Obligations will be issued in the amount, and upon the terms and conditions agreed to between or among the City and the purchaser(s) of the Obligations, as authorized by the Council at a meeting held for such purpose.

(e) As of the date of this resolution, there are no funds of the City reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project, other than the contemplated issuance of the Obligations.

Section 3. Authorizations.

(a) The Finance Director and the City Controller (each an "**Authorized Officer**") are hereby authorized to take any further action that is necessary to preserve the ability of the City to reimburse original expenditures made in furtherance of the Project from and after the date of the passage and adoption of this resolution from the proceeds of the Obligations.

(b) The Authorized Officers be, and each of them hereby is, authorized to execute on behalf of the City and to deliver any and all other instruments and documents including, but not limited to, such certificates or instruments as may be required under the terms of this Resolution necessary to be executed and delivered in connection with this Resolution and the approvals made hereby.

(c) An Authorized Officer shall be responsible for making the "reimbursement allocations" described in Section 1.150-2 of the Regulations by transferring the appropriate amount of Obligations proceeds to the City accounts used to temporarily finance some or all of the Project. Each allocation must be evidenced by an entry on the official books of the City maintained for the Project and must specifically identify the original expenditure being reimbursed.

Section 4. Ratification. All acts and deeds heretofore done by any officer, employee or agent of the City, on behalf of the City, to preserve the City's ability to reimburse expenditures made in furtherance of the Project with the proceeds of the Obligations are hereby ratified, confirmed and approved.

Section 5. Effective Dates. This resolution will be in full force and effect from and after its passage and adoption by the Council.

Section 6. Conflicting Resolutions Repealed. All resolutions of the Council, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

INTRODUCED BY:

PASSED _____, 2007.

ABSENT OR NOT VOTING:

AYES: _____

NAYS: _____

APPROVED AS TO FORM:

CONFLICT OF INTEREST:

City Attorney

APPROVED: _____, 2007.

Bond Counsel

Mayor